GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:5477
ANSWERED ON:15.05.2007
VAISAKHA SAKA ONLINE FRAUD CASES
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Will the Minister of HOME AFFAIRS be pleased to state:

(a) the details of persons who use internet and fell victim of online fraud during each of the last three years, State-wise;

(b) the steps taken by the Government to save persons from online fraud;

(c) the number of cases of online fraud registered and funds involved during the said period, State-wise;

(d) the number of cases solved/unsolved by the police during the said period, State-wise, separately; and

(e) the steps taken by the Government to solve all the unsolved cases?

Answer

MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MANIKRAO H. GAVIT)

(a) to (e) : No such database of online fraud cases is maintained by the National Crime Records Bureau. As per available information, the Securities and Exchange Board of India (SEBI) had received a few complaints about unauthorized transactions in internet trading and forwarded the same to the National Stock Exchange of India (NSE) for redressal. Further as per information provided by NSE to SEBI, NSE had received a total of 16 complaints pertaining to misuse of user-id and password during the last three years. The Exchange has reported that is has taken action in accordance with its bye-laws and 10 out of 16 complaints have been resolved. SEBI has prescribed minimum conditions to be ensured by the stock exchanges and the systems requirements to be put in place before granting approval to the members to start internet trading. The exchanges have also been advised to conduct a systems audit to look into the causes of systemic deficiencies, if any.

The Exchange which provide internet trading facility have issued guidelines to strengthen the systems. The guidelines require the members to conduct regular audit of their internet trading systems. The members are required to submit system audit certificate by a qualified system audit professional on half yearly basis. Minimum safety standards for the software facilitating internet based trading have been specified. Stock broking entities offer website online trading facilities to the investors as per the Bye-law, Rules and Regulations of the Stock Exchange. Further, the Information Technology Act, 2000 together with Indian Penal Code provides a legal framework for dealing with crimes like online frauds.